

Q's and A's About Citrus Canker Tree Replacement

Q. How will growers whose groves were destroyed because of citrus canker be compensated?

A. The U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) published an interim rule October 16, 2000, under which eligible owners of commercial citrus groves in Florida may receive payments to replace commercial citrus trees removed because of citrus canker. The payment of these funds is being made to reduce the economic effect of the citrus canker quarantine on affected commercial growers.

Q. Who is eligible to receive funds for tree replacement?

A. The owner of a commercial citrus grove may be eligible to receive funds to replace citrus trees destroyed because of citrus canker if the trees were removed pursuant to a public order after September 28, 1995. The current citrus canker infestation in Florida was detected on this date.

APHIS' interim rule also provides tree replacement funds for trees destroyed because of citrus canker between 1986 and 1990. The State of Florida has identified five commercial citrus groves in Manatee and Highlands Counties that were affected by citrus canker during this previous outbreak of the disease. Until now, however, no provision had been made for the payment of tree replacement funds or other compensation to the owners of those five groves.

Q. What qualifies as a commercial citrus grove?

A. A commercial citrus grove is any establishment maintained for the primary purpose of producing citrus fruit for commercial sale. This definition is intended to distinguish commercial citrus groves from "dooryard" or residential citrus trees, which have also been destroyed to control citrus canker during the current outbreak.

Although the Florida Department of Agriculture and Consumer Services' (FDACS) Division of Plant Industry defines a commercial citrus grove as "a solid set planting of 40 or more citrus trees," APHIS' definition of the term omits the 40-tree threshold in recog-

nition of the possibility that there may be some small groves of fewer than 40 trees that were, prior to being destroyed because of citrus canker, maintained for commercial purposes. If, during the processing of an application for tree replacement funds, a question arises as to whether or not a small grove was maintained for commercial purposes, APHIS will ask the grove owner to produce documentation to support the claim that his or her grove was maintained for commercial purposes. Supporting documents that APHIS will accept are records of production expenses incurred, records of income derived from direct sales to consumers or from the consignment of harvested fruit to a packer or juicing operation, and tax records showing losses or gains in income resulting from the production and sale of fruit.

Q. What about homeowners whose trees were destroyed because of citrus canker?

A. Losses of residential citrus trees are covered under the State of Florida's canopy replacement program, in which homeowners who lose citrus trees from their yards are eligible for a \$100 voucher that can be used to buy noncitrus trees, bushes, shrubs, or other garden items.

Q. Where did USDA get the authority and funding to offer tree replacement to commercial growers?

A. The funding for the tree replacement will initially come from two sources. The Consolidated Appropriations Act for Fiscal Year 2000 directs the Secretary of Agriculture to use not more than \$9 million of Commodity Credit Corporation funds for a cooperative program with the State of Florida to replace commercial trees removed to control citrus canker before either December 31, 1999, or the date crop insurance was made available with respect to citrus canker, if that date precedes December 31, 1999.

Claims resulting from the destruction of trees after December 31, 1999, or after crop insurance was made available will be paid with a portion of funding from the Agricultural Risk Protection Act of 2000. This Act stipulates that \$25 million must be used by the Secretary to compensate commercial growers for losses due to plum pox, Pierce's disease, and citrus canker.

Q. How much money will eligible growers receive?

A. Eligible growers, who complete the application process and are approved, will receive a payment of \$26 per tree up to a maximum of between \$2,704

and \$4,004 per acre, depending on the variety of trees removed. The per-acre caps were calculated by multiplying \$26 by the varietal average number of trees per acre reported by the Florida citrus industry. Per-acre payments for each variety of citrus are listed below.

Citrus Variety	Average Number of Trees Per Acre	Maximum Payment Per Acre
Grapefruit, red seedless	104	\$2,704
Orange, Valencia	123	\$3,198
Orange, early/midseason/navel	118	\$3,068
Tangelo	114	\$2,964
Lime	154	\$4,004
Other or mixed citrus	104	\$2,704

Q. How was the \$26 replacement cost for commercial citrus trees determined?

A. The \$26 payment per tree is the standard used by the Florida Fruit Tree Pilot Crop Insurance Program, which includes coverage for the loss of commercial trees due to citrus canker. The figure was calculated by USDA's Risk Management Agency (RMA). In calculating the figure, RMA considered the costs of land preparation, the replacement tree, labor for planting, and maintenance until the tree becomes productive. This amount is applicable for all varieties of citrus trees for which crop insurance coverage is offered: grapefruit, lemon, lime, orange, and "all other citrus" (tangerine, tangelo, temple orange, and murcott). Information gathered by APHIS from industry sources confirms the cost of replanting commercial citrus trees.

Q. Will the available tree replacement funding be enough to compensate all eligible growers?

A. Yes. According to the data provided to APHIS by the State of Florida, approximately 484,900 commercial citrus trees were removed to control citrus canker by July 19, 2000. Another 238,900 trees were destroyed by September 30, 2000. At \$26 per tree, the cost of replacing those 723,800 trees would be approximately \$18.8 million; however, APHIS expects the actual cost to be lower because of the per-acre cap on tree replacement payments.

The State of Florida has also identified another 87,731 trees that were destroyed because of citrus canker between 1986 and 1990. The costs of replacing those trees at \$26 per tree would be approximately \$2.28 million. But again, APHIS expects the actual amount to be lower based on the per-acre cap for tree replacement set forth in the interim rule.

Q. Why did USDA put a per-acre cap on tree replacement payments?

A. This is necessary because some growers, in recent years, have shifted to higher density planting of smaller trees. This raises the number of trees per acre that have to be destroyed to control citrus canker. More traditional growers, however, have maintained lower density groves with larger trees.

APHIS anticipates that additional funds will be made available for USDA to provide payments to the owners of commercial citrus groves for losses in production due to the destruction of trees to combat citrus canker. Because output per acre is approximately the same, regardless of the number of trees per acre, capping the tree replacement payments for each variety on a per-acre basis will ensure that no grower receives combined payments (i.e., tree replacement and lost production) that exceed the total estimated per-acre loss in value of the destroyed groves.

Q. Why is USDA waiting to compensate growers for production losses?

A. In anticipation that funding will be made available in the Department's FY 2001 appropriation, APHIS is in the process of developing a plan for compensating growers for production losses. The regulations needed to implement a lost production payment program will be contained in a proposed rule to be published in the future. Compensating growers for production losses is more complicated than determining the cost of tree replacement, and APHIS believes the public would be best served by having the opportunity to comment on any proposed plan. In the meantime, however, APHIS felt it was important to offer growers some relief as quickly as possible. That is why the agency made the decision to offer funds for tree replacement even though a plan for compensating growers for production losses is still being developed.

Q. How do growers apply for commercial tree replacement?

A. The form necessary to apply for tree replacement funds may be obtained from any local citrus canker program office or from the USDA Citrus Canker Eradication Project office in Miami, FL. Completed claim forms must be sent to USDA's Citrus Canker Eradication Project Office in Winter Haven, FL. This office also contains FDACS Division of Plant Industry records necessary to validate claims. When an application is submitted, it should be accompanied by a copy of the public order that directed the destruction of the trees, the order's accompanying inventory that describes the number and variety of trees removed, and documentation verifying that the destruction of

trees has been completed, as well as the date of destruction. Claims for trees destroyed on or before the effective date of APHIS' interim rule must be received within 60 days after the effective date of the rule. Claims for trees destroyed after the effective date of the rule must be received within 60 days after the destruction of the trees.

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